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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended	)	CC Docket No. 99-273

COMMENTS OF TIME WARNER TELECOM

Brian Conboy
Thomas Jones
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ATTORNEYS FOR TIME WARNER TELECOM

October 13, 1999

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COMMENTS OF TIME WARNER TELECOM

Time Warner Telecom ("TWTC"), by its attorneys, hereby files these comments in response to the Notice of Proposed Rulemaking in the above-captioned proceeding.

DISCUSSION

TWTC is filing comments in this proceeding because of its interest as a purchaser of wholesale directory assistance ("DA") that TWTC resells as part of its local exchange service offerings. TWTC's interests are advanced only if the wholesale DA market becomes more competitive. In order for that to occur, the Commission must ensure that non-carrier DA providers are able to obtain DA listings (including DA databases) from LECs on the same terms and conditions, including price, as those under which LECs provide listings to themselves.

Ever since it began providing switched local service in competition with the ILECs, TWTC has purchased directory assistance from wholesalers. TWTC is reliant on the wholesale market because, as it explained in the

Commission's UNE Remand proceeding, TWTC lacks the volume of traffic to self-provision DA service efficiently.[1]

As it also explained at length in the UNE Remand proceeding, TWTC has unfortunately found that the wholesale market for DA services is far from competitive. Based on TWTC's experience, there are two factors that prevent third-party wholesalers of DA from matching the ILEC service. First, national CLECs such as TWTC must incur trunking costs to carry DA traffic from their switches to a wholesaler's DA call centers. Because of their historical status as monopoly service providers, ILECs have many more call centers than any other DA wholesaler. As a result, TWTC's and other similar CLECs' trunking costs will, for the foreseeable future, be higher when purchasing DA wholesale service from non-ILEC carriers than when purchasing DA service from ILECs. See UNE Remand Ex Parte at 3-4.

Second, ILECs are the only source of accurate DA listings. It has been a problem even for carriers to obtain nondiscriminatory access to these listings from the ILECs, despite the fact that ILECs are legally obligated to provide such access under Section 251(b)(3) and, until the new UNE rules go into effect, under Section 251(c)(3).[2] But it has

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[1] See Ex Parte Submission By Time Warner Telecom In CC Docket Nos. 95-185; 96-98 (UNE Remand) at 4 attached as an Exhibit to these comments ("UNE Remand Ex Parte").

[2] See Comments of AT&T in CC Docket Nos. 95-185, 96-98 at 131-143 (describing problems on obtaining nondiscriminatory access to DA listings); Comments of MCI in CC Docket Nos 95-

been even more difficult for non-carrier DA wholesalers, who currently have no legal right to the ILECs' DA listings.[3] As a result, it is TWTC's understanding that non-ILEC DA wholesalers must either pay unreasonably high rates to obtain ILEC DA listings or obtain listings from other, much less reliable sources. In either case, the non-ILEC offerings experience a competitive disadvantage. See UNE Remand Ex Parte at 1-3.

These factors have made the ILECs' DA service superior both in price and reliability to the non-ILEC offerings. It is for this reason that TWTC has reluctantly purchased DA service from ILECs in the past as a UNE. It is also for this reason that TWTC urged the Commission to retain DA service as a UNE in the UNE Remand proceeding. See UNE Remand Ex Parte.

Notwithstanding these arguments, the Commission has apparently decided to remove DA service from the list of UNEs.[4] This was almost certainly the wrong policy result, given the entry barriers discussed above. Nevertheless, the Commission must now do whatever it can in other proceedings

(cont'd.)

185, 96-98 at 71-72 (describing problems on obtaining nondiscriminatory access to DA listings).

[3] See Reply Comments of Teltrust in CC Docket Nos 95-185, 96-98 at 2-3.

[4] See FCC New Release, "FCC Promotes Local Telecommunications Competition -- Adopts Rules on Unbundling of Network Elements," Sept. 15, 1999 at 2.

to lower these barriers. In this proceeding, the Commission can go far to address at least the problem of nondiscriminatory access to DA listings (though the trunking issue will remain). Indeed, as Commissioner Ness stated in her Separate Statement in the UNE Remand proceeding, the fact that non-carrier DA wholesalers do not have a legal right to DA listings "clearly hampers their ability to provide reliable directory assistance to those carriers that will now [as a result of the UNE Remand decision] need to rely on a non-incumbent source for their OS/DA."[5] Commissioner Ness noted that the issue of non-carrier access to ILEC listings had been raised in the instant proceeding, which, she stated, she "hoped will be resolved shortly." Id. at 3. TWTC, like other carriers that now must purchase wholesale DA service in the new, largely unregulated market for that service, share that hope.

It is for this reason that TWTC supports the Commission's tentative conclusion (at ¶ 183) that the presence of non-carrier wholesalers of DA benefit competition and that the Commission should encourage competition in the provision of DA regardless of whether the provider in question is a carrier. Many of the largest third-party wholesalers of DA are not carriers (e.g., Teltrust), and yet, as mentioned, the non-carrier DA

5 Separate Statement of Commissioner Susan Ness in CC Docket No. 96-98, Sept. 15, 1999 at 2-3.

providers cannot obtain access to directory listing information on the same terms and conditions as even carrier DA providers. Regulatory intervention is necessary to eliminate this barrier to competition. If, as a result of such regulatory intervention, non-carrier DA wholesale providers were to obtain access to directory listings at parity with ILECs and carrier DA providers, the market for wholesale DA would become more competitive. Carrier purchasers of DA service and their customers would of course benefit from such increased competition.

But the Commission must be careful how it approaches the question of nondiscriminatory access. For example, the Commission tentatively concludes "that non-carrier directory assistance providers cannot compete without access to directory assistance equal to that provided to" carriers. See Notice at ¶ 190. The Commission reaffirmed in the Reconsideration Order accompanying the Notice, that carriers are entitled to obtain access to ILEC DA listing databases on the same terms and conditions as the ILECs provide themselves.[6] The Commission must therefore explicitly state that, by requiring LECs to provide access to non-carriers on the same terms and conditions as carriers, the Commission means that LECs must provide to carriers and non-carriers

[6] See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Second Order on Reconsideration of the Second Report and Order in CC Docket No. 96-98 at ¶ 128 (DA service), ¶ 152 (DA databases).

alike access to DA databases on the same terms and conditions that LECs provide those listings databases to themselves. The Commission must also specify, as it has not in the past, that this obligation requires that non-carriers and carriers pay the same price as LECs impute to their own DA service for access to the DA database.

Moreover, the Commission must also ensure that each LEC is obligated to provide DA listing information for all of the customers in its DA database, regardless of the local carrier serving the customer. Thus, where an ILEC DA database contains customers served by CLECs as well as the ILEC, the ILEC must provide third party DA providers with access to all of the DA listings (CLEC and ILEC customers alike) in the database. This result follows from the existing requirement that LECs "accept the listings of competing providers' customers for inclusion in their directory assistance and operator services databases" id. at ¶ 154, as well as the general obligation to provide nondiscriminatory access mentioned above.

Finally, there seems to be little question that the Commission has the authority to require ILECs to provide non-carriers nondiscriminatory access to DA. TWTC will leave a more detailed analysis of the legal issues to other parties, but urges the Commission to rely in the alternative on Section 251(b)(3) and Sections 201(b) and 202(a). Very briefly, while Section 251(b)(3) does not contemplate that non-carriers could obtain DA directly from LECs, the

Commission could certainly require LECs to provide directory listings to the agents of those that are eligible to obtain listings under Section 251(b)(3). This would require only that non-carrier DA providers enter into simple agency agreements with their prospective carrier customers. As the Commission points out, Section 217 gives the Commission the authority to bestow upon the DA wholesalers all of the rights of their carrier customers. See 47 U.S.C. § 217.

Moreover, perhaps the simplest and most compelling theory presented in the Notice as to how to enable non-carriers to obtain nondiscriminatory access to DA listings is one based on Sections 201(b) and 202(a). Directory listings are used for both interstate and intrastate service. Moreover, any state regulation that conflicts with the federal rule requiring nondiscriminatory access would negate federal regulation. That is, DA listings are only useful to DA providers if they can be used for both intrastate and interstate purposes. If states prohibited access for intrastate traffic and the FCC permitted access for interstate traffic, DA providers would not bother trying to obtain the listings pursuant to the federal rule. Therefore, the Commission could preempt any inconsistent state regulation in this area. See Louisiana Pub. Serv. Comm'n v. FCC, 476 U.S. 355, 375 n.4 (1986) (FCC may preempt state regulation where it is "not possible to separate the interstate and the intrastate components of the asserted FCC regulation").

CONCLUSION

The Commission should therefore establish rules, pursuant to the discussion above, that provide non-carrier DA providers access to LEC DA listings on the same terms and conditions as LECs provide those listings to themselves.

Respectfully submitted,

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ATTORNEYS FOR TIME WARNER TELECOM

October 13, 1999

EXHIBIT

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September 7, 1999

EX PARTE

Ms. Magalie Roman Salas
Office of the Secretary
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The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte* Presentation in CC Docket No. 95-185, 96-98

Dear Ms. Salas:

On September 7, 1999, Don Shepheard of Time Warner Telecom and I met with Kyle Dixon, Legal Advisor to Commissioner Michael Powell, to discuss the availability of directory assistance service and SS7 as unbundled network elements ("UNEs"). We left behind the attached outline that formed the basis of the presentation as well as the attached detailed discussion of why directory assistance service must be a UNE.

Sincerely,

Thomas Jones

Thomas Jones

Attachment

cc: Kyle Dixon

Washington, DC
New York
Paris
London

Implementation of the Local Competition Provisions In the Telecommunications Act of 1996 (UNE Remand)

Don Shepheard
VP-Federal Regulatory Affairs
Time Warner Telecom

- Time Warner Telecom's experience with Directory Assistance, Operator Services, and SS7 signaling demonstrate the inadequacy of wholesale alternatives for these network elements at this point in time.

  - Time Warner Telecom is a full facilities-based provider of local services.
    - Have built SONET rings and installed switches in 16 markets nationwide.
    - Original market entry relied on ILEC only for interconnection trunks, local number portability, and collocation.

  - Experience of lower quality/reliability and higher costs with third-party wholesale providers of directory assistance and SS7 services led Time Warner Telecom to conclude that parity with ILECs was unattainable. Subsequently, Time Warner Telecom migrated to ILEC network elements.

- Time Warner Telecom's use of alternative providers for directory assistance resulted in lower quality service at considerably higher costs.

  - ILECs have a unique advantage because they have the <u>only</u> complete and reliable directory assistance databases, which are updated in real time. Comments indicate 95% accuracy in ILEC databases compared to 80% accuracy from other sources.

- Alternative providers have limited call centers nationwide, requiring costly trunking from CLEC switches.
  - Time Warner Telecom trunking costs to its vendor's single national call center cost was approximately $500,000 annually. Total cost 4 times ILEC UNE costs.
  - Use of 8 third-party call centers reduces trunking costs to $200,000. Total cost still twice ILEC UNE costs.

- Time Warner Telecom does not have the capital nor scale economy to invest in real estate, buildings, switch facilities, personnel, and training necessary to self-provision directory assistance.
  - Call volumes would need to increase nearly 14 times current levels to meet UNE cost level.

- BellSouth *ex parte* cites an $.85 per call retail tariff rate available to CLECs. BellSouth's UNE rate per call ranges from $.20 to $.31. The ability to charge rates at over three times TELRIC is not indicative of a robust wholesale market for directory assistance.

- Other commenters cited in the USTA "UNE Fact Report" as major CLEC providers of DA also support the need for a directory assistance network element (Cox, AT&T, McLeodUSA, MCIWorldcom, GST Telecom).

- It is especially noteworthy that other facilities-based CLECs like TWTC have asked for DA <u>service</u> as a UNE (Cox, MediaOne, Allegiance, Teligent).

Time Warner Telecom Directory Assistance Cost Estimates

Avg. Cost Per Call Using Incumbent LECs' DA Platform[1]	$0.40
Avg. Cost Per Call Using Third-Party Vendor Platform (8 call centers)[2]	$0.82
Avg. Cost Per Call Using Third-Party Vendor Platform (one call center)[3]	$1.19
Avg. Cost Per Call Using a TWTC DA Platform (See Below)	$5.47

Estimated Costs of Constructing and Operating a Single National Call Center:

Capital Costs[4]	$4,312,000
Start-Up Costs[5]	1,517,940
Total One-Time Costs	$5,829,940
Annualized Capital Costs[6]	$ 582,994
Annual Operating Costs[7]	$2,724,000
Annual Messages	604,776 (16 cities)[8]

[1] Includes the cost of ILEC wholesale DA charges plus transport to ILEC call centers, based on TWTC's experience.
[2] Includes the cost of vendor's DA charges plus transport to 8 regional call centers, based on an analysis of third-party vendors' service offerings.
[3] Includes the cost of vendor's DA charges plus transport to single national call center, based on TWTC's experience.
[4] Estimated capital costs consist of the costs of purchasing a switch and building construction, call center building construction, and operator equipment.
[5] Estimated start-up costs consist of technical/engineering costs, Management Information System (MIS) costs, operator training, project management, and establishment of a listings database.
[6] Amortized over ten years.
[7] Estimated operating costs consist of building lease, operator salaries, trunking from end-office switches, and daily/weekly listings downloads.
[8] Based on actual DA call data for July and August 1998 in 9 cities.

Alternative providers of signaling do not offer the reliability, functionality or ubiquity of the ILECs' SS7 networks.

- Third-party signaling systems lack the diversity in signaling links of ILEC signaling networks, causing more frequent outages. Consequences of outages are more severe with alternative signaling systems, as larger portions of network affected by a single failure.

- Time Warner Telecom relied upon an alternative provider's signaling system from 1996 - 1998, and experienced numerous system failures with widespread effects.

- Lack of diversity and ongoing service problems caused Time Warner Telecom to establish SS7 signaling arrangements with ILECs. None of the third-party vendors evaluated by Time Warner Telecom offered anything close to the reliability of the ILECs' SS7 network.

- ILEC efforts to tie the signaling UNE to the switching UNE must be rejected. Most CLECs who have deployed switches have not deployed their own regional or national signaling networks. Time Warner Telecom does not have the scale necessary to justify the investment to replicate the diversity of the ILECs' signaling network.

- Without significant quality improvement in third-party signaling systems, lack of access to ILEC signaling systems will put CLECs at a severe competitive disadvantage, and will threaten overall network reliability.

<u>Ex Parte</u> Submission By Time Warner Telecom In CC Docket Nos. 95-185; 96-98 (UNE Remand)

Time Warner Telecom Holdings Inc. d/b/a Time Warner Telecom ("TWTC") hereby submits this ex parte filing to put to rest once and for all the question of whether directory assistance ("DA") service must be classified as an unbundled network element ("UNE").[1] As is explained in detail in the following narrative and as demonstrated in the attached cost analysis, it is beyond dispute that TWTC as well as other similarly-situated CLECs would be impaired in their ability to compete with incumbent LECs if they were unable to obtain DA service as a UNE.

In the case that gave rise to the instant remand proceeding, the Supreme Court held that, in construing Section 251(d)(2)(B), the Commission must account for "the availability of elements outside the incumbent's network" and may not assume, as it did initially, that just "*any* increase in cost (or decrease in quality)" constitutes impairment. See AT&T v. Iowa Utils. Bd., 119 S.Ct. 721, 734-35 (1999) (emphasis in original). In light of the Supreme Court's decision, Section 251(d)(2) should be construed to require that an ILEC provide a facility or piece of equipment as a UNE so long as a competing carrier cannot either efficiently self-provision the element or alternatively purchase the element in a competitive wholesale market. In no sense is DA available under these terms to TWTC today.

First, TWTC simply cannot obtain DA from a third party provider that comes close to matching the ILECs' UNE offerings in terms of quality and price. This is in part because the ILECs are the only source of accurate DA listings, and, as many parties have explained in this proceeding, ILECs refuse to provide DA listings to their competitors in the DA business on nondiscriminatory terms and conditions.[2] This problem is

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1 In now overturned rules, the Commission established DA service as well as DA listings and other components of DA service as UNEs. See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 FCC Rcd 15499, ¶¶ 534-538 ("Local Competition Order"). This ex parte presentation focuses on the need to retain DA service as a UNE in the instant remand proceeding. Moreover, since no party has offered any basis for concluding that DA service should be considered proprietary under Section 251(d)(2)(A), this ex parte focuses solely on whether DA meets the "impairment" standard set forth in Section 251(d)(2)(B).

2 See, e.g., Comments of AT&T at 131-134 (describing unreasonable restrictions on access, unreasonably prices, and unreasonable use restrictions); Comments of Teltrust at 8-9 (describing unreasonable prices); Comments of Metro One

apparently equally serious for carriers, which theoretically have a right to DA listings as UNEs, and non-carriers, which have no such right.[3] In order to charge competitive prices, third party DA service providers must rely on non-ILEC sources for directory listings, and such sources are 15% less accurate than the ILECs' databases. See, e.g., Comments of Metro One at 3.[4]

This disparity may not be a big problem for carriers such as CMRS providers or some IXCs that do not compete directly with the ILECs' fixed local service and that (in the case of CMRS providers) often do not charge a separate fee for DA calls. But fixed local service providers such as TWTC must at least match the ILECs' service quality, and inferior DA service harms TWTC's reputation with its customers. Indeed, a customer may have as much direct interaction with TWTC's DA service as any other aspect of the local service provided by TWTC.

If DA service were not available as a UNE, problems associated with gaining access to accurate DA listings would by themselves force TWTC either to pay much more for service that matches the ILECs' in quality or purchase degraded service and harm its reputation. For example, BellSouth recently stated in an ex parte in this proceeding that its tariffed DA service rate is $.85 per call. See BellSouth ex parte in CC Docket No. 96-98, Aug. 2, 1999 ("BellSouth ex parte"). But the UNE rates for DA service throughout the BellSouth region are between $.20 and $.31 per call.[5] Furthermore, while it is possible in some cases to

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at 8-11 (describing unreasonable restrictions on access, and unreasonable prices); Comments of MCI WorldCom at 72 (describing unreasonable restrictions on access).

3 See, e.g., Reply Comments of Teltrust 2-3 (a non-carrier) (explaining that because of problems it has encountered in obtaining access to ILEC DA databases, "Teltrust simply cannot compete with ILECs' DA wholesale pricing"); Comments of MCI WorldCom at 71-72 (explaining that, "despite MCI WorldCom's strong preference for providing customers served on our own switches our own DA service, we have made the market-driven decision not to do so unless we have access to complete bulk DA data at cost-based rates").

4 As noted below, in some cases third party vendors are able to obtain access to accurate ILEC directory listings. In those cases, however, the ILECs have successfully raised their rival DA service providers' costs, thus forcing the third party vendors to charge per call prices far above the ILECs' UNE rates.

5 The per call UNE prices for DA service in the BellSouth region are as follows: Alabama ($.26), Florida ($.25), Georgia ($.21), Kentucky ($.31), Louisiana ($.20),

purchase DA from third party vendors with listings as accurate as the ILECs', such service costs $.50-$.60 per call. Given this disparity between cost-based UNE prices and wholesale prices for service of similar quality, it is clear that the wholesale market for DA is far from competitive.

Nor would the establishment of more rules governing access to ILEC DA listings, by itself, obviate the need to retain DA service as a UNE. It is certainly necessary for regulators to try to ensure that ILEC databases are available at TELRIC-based prices and in a form that enables efficient third party DA providers to compete. But ILECs have been required to provide DA listings as UNEs since 1996. Notwithstanding this obligation, ILECs have demonstrated that they are able to raise their rival DA service providers' costs by increasing the cost and degrading the quality of third party access to ILEC DA listings. Merely adopting rules (even assuming they are adequately comprehensive) would not make the wholesale DA market competitive. Adequate wholesale competition will only develop if regulators are successful in implementing the relevant rules.[6] Until such success is achieved, TWTC will continue to be impaired if it is unable to purchase DA service as a UNE.

In addition to problems associated with DA listings, TWTC also must pay much higher trunking costs when purchasing DA from a third party vendor. This is because ILECs' DA call centers are located closer than third party call centers to TWTC's switches in the 16 areas in which TWTC operates. See Reply Comments of TWTC at 15-16.

When the high cost of obtaining accurate DA listings and the high cost of transporting DA traffic to third party call centers are taken into account, it is clear that third parties cannot come close to competing with the ILEC DA UNE offering when selling to fixed local service providers. For example, the attached cost analysis compares the cost TWTC currently incurs in purchasing DA service from ILECs with the cost TWTC incurred when

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Mississippi ($.26), North Carolina ($.27), and South Carolina ($.26). There is currently no price set in Tennessee.

6 In addition, such rules may be inherently limited in their effect because there is a serious legal question as to whether the Commission can require ILECs to provide access to DA listings to third party DA providers that are not also telecommunications carriers. See 47 U.S.C. § 251(c)(3) (limiting access to UNEs to requesting telecommunications carriers); id. at § 251(b)(3) (limiting LECs' obligation to provide access to directory listings to competing LECs and IXCs).

purchasing DA from a third party vendor with a single national call center that used non-ILEC sources for DA listings. In response to requests from other parties and the Commission staff, TWTC has also included an analysis of the costs it would incur if it were to purchase DA from a third party vendor with multiple call centers that uses DA listings as accurate as the ILECs' (thus charging TWTC $.50 per call). As the attached analysis demonstrates, TWTC's per call DA service costs would increase twofold if it were to purchase service from a third party using 8 centrally-located call centers[7] and three-fold if TWTC were to return to the third party that has one central call center. There is no question that TWTC would be impaired in its ability to compete under either scenario.

Second, the situation would be even worse if TWTC were forced to self-provision DA. As demonstrated in detail in the attached cost analysis, self provisioning would cause TWTC to incur average DA per call costs of more than ten times what it pays the ILECs for DA service. This is largely a matter of scale. Given the high fixed costs of establishing DA service, TWTC does not have enough DA traffic to self-provision DA efficiently.

Nothing on the record in this proceeding refutes the point that TWTC, and no doubt other similar CLECs, would be impaired if DA service were no longer a UNE. For example, Ameritech and BellSouth have argued that TWTC could have avoided paying high transport costs if it purchased DA from a third party vendor with multiple call centers. See Ameritech ex parte, July 30, 1999 ("Ameritech ex parte"); BellSouth ex parte at 2. But as TWTC explained above, even if it were to connect with eight centrally-located third party call centers, TWTC would still pay twice as much as when it purchases DA from ILECs as a UNE.

Ameritech has also asserted that "it is highly unlikely" that third party DA prices are several times more expensive or that self-provisioning would be ten times more expensive for TWTC than purchasing DA as a UNE since otherwise "third party vendors and self-suppliers would not be able to survive in the marketplace." See Ameritech ex parte at 3. But Ameritech overlooks the fact that self-supply can be efficient for firms, such as AT&T and MCI, with large enough call volumes (economies of scale). TWTC simply has not reached that point yet.

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7 In this analysis, TWTC used the locations among the 25 Metro One call centers that are closest to the 16 areas in which TWTC operates. Metro One has the largest number of call centers among the major third party vendors (25). It should be noted that while Metro One states in its comments that it has 20 call centers, Metro One representatives recently informed TWTC that it currently has 25 call centers.

Moreover, as mentioned, TWTC would be forced to pay more for a third party DA service because TWTC must pay a premium to obtain directory listings that are as accurate as the ILECs' and because of high trunking costs TWTC would be forced to incur. These problems may not be relevant to a carrier (such as an IXC or a CMRS provider) that does not compete directly with the ILEC's fixed local service and that already has a national network in place. In fact, third party vendors may offer certain services that are especially valuable to such carriers (such as driving directions to a particular location, a service that would seem especially useful to CMRS users) for which TWTC has little need. In any event, the fact remains that for TWTC, and national CLECs of similar scale, the only efficient option is ILEC DA service.[8]

More recently Bell Atlantic Mobile ("BAM") has argued that third-party vendors offer adequate substitutes for ILEC DA. See Bell Atlantic Mobile ex parte, Aug. 10, 1999. BAM states that it has selected third party providers in part because they provide services such as call completion. See id. But BAM makes no effort to demonstrate why call completion would be as important to fixed service customers as mobile service customers. Indeed, common sense would seem to indicate just the opposite, since mobile service users place a much higher premium on convenience than is the case with fixed service users. Furthermore, while BAM vaguely states that its selection of third party vendors is "based upon actual competitive bidding and serious market scans," see id., BAM offers no specific cost data, rendering its conclusions impossible to analyze.

Thus, under any reasonable construction of the term, TWTC would be "impaired" if it were not able to obtain DA service as a UNE from ILECs. Given TWTC's experience in the marketplace and the detailed cost information submitted in this ex parte filing, the Commission would be hard-pressed to sustain a refusal to classify DA service as a UNE in the face of an appellate challenge. The facts on the record in this proceeding simply cannot support such a conclusion.

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8 Not surprisingly, many CLECs with facilities-based entry strategies similar to TWTC's have urged the Commission to retain DA service as a UNE. The carriers describe the same quality and price issues discussed in this ex parte. See, e.g., Comments of MediaOne at 11-13; Comments of Cox at 32-34; Reply Comments of Teligent at 6-8; Comments of Allegiance Telecom at 22-24.

Time Warner Telecom Directory Assistance Cost Estimates

Avg. Cost Per Call Using Incumbent LECs' DA Platform[1]	$0.40
Avg. Cost Per Call Using Third-Party Vendor Platform (8 call centers)[2]	$0.82
Avg. Cost Per Call Using Third-Party Vendor Platform (one call center)[3]	$1.19
Avg. Cost Per Call Using a TWTC DA Platform (See Below)	$5.50 to $6.50

Estimated Costs of Constructing and Operating a Single National Call Center

Capital Costs[4]	$4,312,000
Start-Up Costs[5]	1,517,940
Total One-Time Costs	$5,829,940
Annual Operating Costs[6]	$2,724,000
Annual Messages	604,776 (16 cities)[7]

Cost per Call

10-Year Amortization ((5,829,940/10) + 2,724,000)/604,776 = $5.47/call

7-Year Amortization ((5,829,940/7) + 2,724,000)/604,776 = $5.88/call

5-Year Amortization ((5,829,940/5) + 2,724,000)/604,776 = $6.43/call

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1 Includes the cost of ILEC wholesale DA charges plus transport to ILEC call centers, based on TWTC's experience.

2 Includes the cost of vendor's DA charges plus transport to 8 regional call centers, based on an analysis of third-party vendors' service offerings.

3 Includes the cost of vendor's DA charges plus transport to single national call center, based on TWTC's experience.

4 Estimated capital costs consist of the costs of purchasing a switch and building construction, call center building construction, and operator equipment.

5 Estimated start-up costs consist of technical/engineering costs, Management Information System (MIS) costs, operator training, project management, and establishment of a listings database.

6 Estimated operating costs consist of building lease, operator salaries, trunking from end-office switches, and daily/weekly listings downloads.

7 Based on actual DA call data for July and August 1998 in 9 cities.

CERTIFICATE OF SERVICE

I, Carmen D. Minor, do hereby certify that on this 13th day of October, 1999, copies of the foregoing "Comments of Time Warner Telecom" were hand delivered to the following parties:

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Carmen D. Minor

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